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REGULATIONS ON REDISTRIBUTION OF  
UNUSED MACHINERY IN HUNGARY

The following regulation throws light on the current shortage of all kinds of machinery and machine parts, as well as scrap, in Hungary. It will be noted that workers are encouraged to act as informers in reporting unused machines which the management may have concealed.

Instruction No 2,500-8 of the President of the National Planning Office of 25 March 1952 is summarized below.

Realization of the Five-Year Plan requires not only large-scale mechanization but also rational utilization of existing machinery. Therefore, machines, machine parts, and fittings which are not actually in use must be placed again in production. If this cannot be done economically, the component materials must be made available to the national economy.

Heavy industrial equipment, including finished and semifinished machines, machine parts, and fittings, is considered not in use if it is not used for its original purpose or is in operation less than 10 hours per week during any three consecutive months. Equipment not in use is regarded as obsolete if it does not satisfy current technical or economic requirements.

Heavy industrial equipment is regarded as unusable if it is damaged to such an extent that it cannot be placed in use again, or at least not without repairs out of proportion to its value. The latter regulation, however, does not apply to rotary electric machinery and to other electric machines, instruments, and parts.

All public administrative agencies, institutes, and national enterprises are required to declare their heavy industrial equipment not in use, even if the equipment is in repair. Equipment on sale by foreign and domestic trade enterprises must be declared only after 90 days' storage.

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Organizations having heavy industrial equipment in their possession are required to file their declarations with the supervising ministry (hereinafter ministry) and foreign and domestic trade enterprise with the National Planning Office by 10 April 1952. The declaration must include a description, registration and inventory number, and condition of the equipment. Forms No 10,110-3/b, on which the declaration is to be made, are sold at the Plan Publication Store (Budapest V, Szent Istvan-ter 4) and at designated stationery stores in megye seats.

Heavy industrial equipment is classified by the ministry as (1) usable in its present condition, (2) to be repaired, (3) to be kept in storage, or (4) utilizable for scrap.

Application for the allocation of heavy industrial equipment not in use may be made to the ministry which supervises the applicant enterprise on form No 10,110-3/a. Equipment which is usable in its present condition or which the applicant agrees to repair is to be allocated by the ministry to organizations under its own jurisdiction. Applications by new enterprises will be given preference. Thereafter, applications of enterprises from which substantial production increases or cost reductions may be expected will be satisfied. In allocating heavy industrial equipment, the requirements of local industry must be given due consideration.

For the repair of heavy industrial machines the following criteria are used: (1) the machine must be repaired if the cost of repair does not exceed 40 percent of the cost of a new machine made in Hungary or 60 percent of the cost of an imported new machine; (2) if the repair costs are greater than indicated under (1) above, due consideration must be given to the general demand for the heavy equipment in question.

Classification and scrapping of obsolete or unusable heavy industrial equipment not in use are the responsibility of each ministry separately in its own jurisdiction according to the quarterly work plans. If scrapping is ordered, the organization in possession of the equipment must dismantle it. The enterprise designated for scrap collection is required to take over the scrapped equipment within 45 days after receipt of the scrapping order. The collecting enterprise must extract from the scrapped equipment all usable iron, non-ferrous metals, and machine parts and deliver these to designated user enterprises.

Enterprises in possession of heavy industrial equipment which requires no repair are required to ship this equipment to the designated receiving enterprises, which will credit the account of the shipper for the value of the equipment. If the equipment is shipped to an artisan cooperative, producers' cooperative, agricultural cooperative, or an enterprise owned wholly or in part by a foreign government, the receiving enterprise will pay the value to the Investment Bank for account of the shipper.

A worker who finds heavy industrial equipment which would not have been delivered in the regular course of business operations is entitled to a reward. No reward will be granted, however, to workers whose assignment was to find and declare heavy industrial equipment under the present instruction. The maximum reward to any worker is 1,000 forints and cannot exceed one percent of the value of the equipment. If the equipment is scrapped, the reward cannot exceed 10 percent of the value of the salvaged materials. The reward will be paid by the manager of the delivering enterprise out of the proceeds received for the heavy industrial equipment.

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The delivering enterprise must keep the heavy industrial equipment which has been declared as not in use in good condition until the ministry or the National Planning Office takes action. If the equipment is damaged by unforeseen causes, the declaring enterprise is required to advise the ministry or the National Planning Office promptly.

Violation of the present Instruction is punishable by a maximum fine of 3,000 forints.

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